
Instructions for Schedule PT

Property tax relief credits

Purpose of schedule

Use the 2008 Schedule PT to calculate your property tax relief income tax credits that are available for the 2008 tax year.

The income tax credit for residential and agricultural property is calculated in Section 1 of Schedule PT.

The income tax credit for commercial property is calculated in Section 2 of Schedule PT.

General instructions

Eligible property taxes

Both of the credits allowed for the 2008 income tax year are calculated on the **2007 real estate tax** or **2008 mobile home tax**. You must have your 2007 real estate tax statement or your 2008 mobile home tax statement available to complete Schedule PT. If you jointly own the eligible property with one or more other persons, and the property tax statement is mailed to one of the other co-owners, you will need to contact the other owner to obtain the necessary information from the statement.

Classification of property

The classification of your property as residential, agricultural, or commercial is based on how it is classified for property tax purposes, as determined by the county in which it is located. The classification is not necessarily based on the location or use of the property.

Example: If you own an apartment building with less than four units, the county classifies it as residential property. However, if the apartment building has four or more units, the county classifies it as commercial property, even though it may be located in a residential area or is used for residential purposes.

If you are unsure of your property's classification, contact your county assessor's office.

Leased property

If you own eligible property that you lease to another person, only you may claim a credit for the property. This applies even if your tenant (lessee) agrees as part of your lease agreement to pay the property taxes on the property. You are not eligible for these credits on any property that you lease from another person, even if you agree to pay the property taxes for the property owner.

Life estate holder

If you transfer the deed to your home to another person, but you keep a life estate interest in the home that gives you all rights of ownership until your death, you are the owner of the property and may claim these credits.

Grantor-type trust

You may claim these credits on eligible property held by a trust only if (1) the trust is a "grantor-type" trust under federal income tax law and (2) you are considered the owner of the trust property. In general, this applies if you are the grantor of a trust over which you retained the power to revoke the trust or to receive property or income from the trust.

Contract for deed

If you sold or purchased eligible property under a contract for deed, whether or not you may claim these credits will depend on the terms of the contract and who paid the property taxes on the property.

Unpaid property taxes

To be eligible for either of these credits, the eligible property taxes must have been paid in full before you claim the credit. If you choose to pay the property taxes in installments, you may not claim the credit on your return until the final installment is paid.

Confidentiality waiver

Your completion and attachment of Schedule PT to your North Dakota return constitutes your consent that the Office of State Tax Commissioner may divulge to a co-owner information from your Schedule PT pertaining to a jointly owned parcel of property for purposes of administering the tax credit.

Section 1

Residential and agricultural property income tax credit

Eligibility requirements

To qualify for the residential and agricultural property income tax credit, you must meet the following requirements:

- You either (1) maintained a primary residence in North Dakota for the entire 2007 tax year or (2) established a primary residence in North Dakota during the 2007 tax year that you maintained until the end of that year; *and*
- You owned residential or agricultural property located in North Dakota for which you were liable for the **2007 real estate tax** or **2008 mobile home tax**. See the instructions to line 2 of this Section 1 for more details.

Primary residence. A primary residence generally means a dwelling that you own or rent that, except for temporary absences, is the place where you reside most of the time during the year. Generally, it also constitutes your legal residence for state income tax purposes. If you are a member in the U.S. armed forces, you meet this primary residence requirement if:

- You were a **resident** of North Dakota during the 2007 tax year. This applies regardless of where you were stationed during the 2007 tax year; *or*
- You were a **nonresident** of North Dakota and you lived in a home, apartment, or on-base housing in North Dakota that was your primary residence for most of the 2007 tax year while stationed in North Dakota.

Specific line instructions for Section 1

Line 2

In Columns A through E, enter the information for each parcel of eligible residential and agricultural property. List each parcel on a separate line. A county will issue a separate property tax statement for each parcel of property. You may enter a parcel of property in Section 1, line 2, only if all of the following apply:

- The property is classified as residential or agricultural for property tax purposes.
- The property is located in North Dakota.
- You owned the property on the due date of the 2007 real estate tax or 2008 mobile home tax.

The 2007 real estate tax became due on January 1, 2008.

The 2008 mobile home tax became due on January 10, 2008; however, if you purchased the mobile home or moved it into North Dakota during the 2008 calendar year, the mobile home tax became due on the 10th day after its purchase or move.

- The 2007 real estate tax or 2008 mobile home tax due on the property has been fully paid. For jointly owned property, this condition is met regardless of which co-owner(s) paid the tax.

If you need to enter more than four parcels, obtain Schedule PTC and complete Continuation Schedule 1.

Column A. Enter the property (or parcel) number from your real estate tax statement or mobile home tax statement.

In most cases, it is a multiple-digit number identified on your statement as “property number” or “parcel number.” ***Do not enter the property’s address or legal description.*** See Sample Property Tax Statement above.

Column B. Using the County Number Table on page 3, enter the number for the county in which the parcel is located.

Column C. Enter the **consolidated tax** from your statement. This is the total amount of the property taxes shown on your statement **before** any special assessments are added and **before** any

Sample Property Tax Statement

| 2007 Sample County Real Estate Tax Statement | | | | Receipt # XXXX | | |
|--|----------|--|--------|---------------------------------------|--|---------|
| Property Number | | XXX-XXX-XXX | | Consolidated tax | | 2102.92 |
| Add Name | | XXXXXXXXXXXX | | Specials | | 246.26 |
| Block | | XXX | | Tax Plus Specials | | 2349.18 |
| Legal Desc | | XX- | | Discount (5% of Tax Only) | | 105.15 |
| Acres | | HC | CR.AMT | Discounted amount due Feb. 15, 2007 | | 2244.03 |
| True and Full Taxable Value | | Mill Levy | | 1st payment due on March 1, 2007 | | 1297.72 |
| 106100 | | 4775 .44040 | | 2nd payment due on October 15, 2007 | | 1051.46 |
| Special Assessments | | Principal plus interest equals installment | | * Principal Balance after installment | | |
| Principal | Interest | | | | | |
| 246.26 | .00 | 246.26 | | 1477.59 | | |

Property (or parcel) number

Property (or parcel) number.
This is the number to enter in
Section 1, Line 2, Column A, or in
Section 2, Line 1, Column A.

Consolidated tax

This is the amount to enter in Section 1, Line 2, Column C, or in Section 2, Line 1, Column C.

discount is subtracted. Enter the total consolidated tax even though you may jointly own the property with one or more other taxpayers. See Sample Property Tax Statement above.

Column D. If you own 100% of the parcel, enter 100%. If you own less than 100%, enter your ownership share as a percentage. If only you and your spouse jointly own the parcel, and you are filing a joint return with your spouse, enter 100%.

Section 2

Commercial property income tax credit

Eligibility requirements

To qualify for the commercial property income tax credit, you must meet one or both of the following requirements:

- You owned commercial property located in North Dakota for which you were liable for the **2007 real estate tax** or **2008 mobile home tax**. See the instructions to line 1 of this Section 2 for more details.
- You owned an interest in a partnership, S corporation, or limited liability company (treated like a passthrough entity) that owned commercial property located in North Dakota for which the entity was liable for the **2007 real estate tax** or **2008 mobile home tax**. See the instructions to line 3 of this Section 2 for more details.

Specific line instructions for Section 2

Line 1

In Columns A through E, enter the information for each parcel of eligible commercial property. List each parcel on a separate line. A county will issue a separate property tax statement for each parcel of property. You may enter a parcel only if all of the following apply:

- The property is classified as commercial for property taxes purposes.
- The property is located in North Dakota.
- You owned the property on the due date of the 2007 real estate tax or 2008 mobile home tax. The 2007 real estate tax became due on January 1, 2008. The 2008 mobile home tax became due on January 10, 2008; however, if you purchased the mobile home or moved it into North Dakota during the 2008 calendar year, the mobile home tax became due on the 10th day after its purchase or move.
- The 2007 real estate tax or 2008 mobile home tax due on the property has been fully paid. For jointly owned property, this condition is met regardless of which co-owner(s) paid the tax.

If you need to enter more than three parcels, obtain Schedule PTC and complete Continuation Schedule 2.

Column A. Enter the property (or parcel) number from your real estate tax statement or mobile home tax statement. In most cases, it is a multiple-digit number identified on your statement as “property number” or “parcel number.” *Do not enter the property’s address or legal description.* See Sample Property Tax Statement on page 2.

Column B. Using the County Number Table on this page, enter the number for the county in which the parcel is located.

Column C. Enter the **consolidated tax** from your statement. This is the total amount of the property taxes shown on your statement *before* any special assessments are added and *before* any discount is subtracted. Enter the total consolidated tax even though you may jointly own the property with one or more other taxpayers. See Sample Property Tax Statement on page 2.

Column D. If you own 100% of the parcel, enter 100%. If you own less than 100%, enter your ownership share as a percentage. If only you and your spouse jointly own the parcel, and you are filing a joint return with your spouse, enter 100%.

Line 3

In columns A through E, enter the information for each partnership, S corporation, or limited liability company (treated like a passthrough entity) for which the following apply:

- The entity owned property classified as commercial for property tax purposes.
- The property is located in North Dakota.
- The entity was liable for the **2007 real estate tax** or **2008 mobile home tax** due on the property.
- You owned an interest in the entity on the date the real estate tax or mobile home tax became due. See the instructions to line 1 for when the eligible property taxes became due.

In most cases, the passthrough entity will provide you with a statement containing the required information. However, in some cases, you may have to contact the entity to obtain it.

If you need to enter more than three entities, obtain Schedule PTC and complete Continuation Schedule 3.

Column A. Enter the name of the eligible passthrough entity.

Column B. Enter the entity’s federal employer identification number (FEIN).

Column C. Enter the total eligible property taxes on all of the entity’s North Dakota commercial properties. This is the **consolidated tax** from the entity’s 2007 real estate tax statement(s) or 2008 mobile home tax statement(s). Do not include special assessments and do not subtract any discount.

Column D. Enter as a percentage your share of the property taxes as of the due date of the property taxes.

Line 9

Enter the portion of the commercial property tax credit shown on line 8 that you are using to reduce your tax for 2008.

| County Number Table | | | | | | | | | | | | |
|---------------------------|-----------------|--|--|---------------------|--|--|-----------------|--|--|-----------------|--|--|
| | Adams | | | Cavalier | | | Grant | | | McLean | | |
| | 001 | | | 019 | | | 037 | | | 055 | | |
| | Barnes | | | Dickey | | | Griggs | | | Mercer | | |
| | 003 | | | 021 | | | 039 | | | 057 | | |
| | Benson | | | Divide | | | Hettinger | | | Morton | | |
| | 005 | | | 023 | | | 041 | | | 059 | | |
| | Billings | | | Dunn | | | Kidder | | | Mountrail | | |
| | 007 | | | 025 | | | 043 | | | 061 | | |
| | Bottineau | | | Eddy | | | LaMoure | | | Nelson | | |
| | 009 | | | 027 | | | 045 | | | 063 | | |
| | Bowman | | | Emmons | | | Logan | | | Oliver | | |
| | 011 | | | 029 | | | 047 | | | 065 | | |
| | Burke | | | Foster | | | McHenry | | | Pembina | | |
| | 013 | | | 031 | | | 049 | | | 067 | | |
| | Burleigh | | | Golden Valley | | | McIntosh | | | Pierce | | |
| | 015 | | | 033 | | | 051 | | | 069 | | |
| | Cass | | | Grand Forks | | | McKenzie | | | Ramsey | | |
| | 017 | | | 035 | | | 053 | | | 071 | | |
| | | | | | | | | | | Ransom | | |
| | | | | | | | | | | 073 | | |
| | | | | | | | | | | Steele | | |
| | | | | | | | | | | 091 | | |
| | | | | | | | | | | Renville | | |
| | | | | | | | | | | 075 | | |
| | | | | | | | | | | Stutsman | | |
| | | | | | | | | | | 093 | | |
| | | | | | | | | | | Richland | | |
| | | | | | | | | | | 077 | | |
| | | | | | | | | | | Towner | | |
| | | | | | | | | | | 095 | | |
| | | | | | | | | | | Rolette | | |
| | | | | | | | | | | 079 | | |
| | | | | | | | | | | Traill | | |
| | | | | | | | | | | 097 | | |
| | | | | | | | | | | Sargent | | |
| | | | | | | | | | | 081 | | |
| | | | | | | | | | | Walsh | | |
| | | | | | | | | | | 099 | | |
| | | | | | | | | | | Sheridan | | |
| | | | | | | | | | | 083 | | |
| | | | | | | | | | | Ward | | |
| | | | | | | | | | | 101 | | |
| | | | | | | | | | | Sioux | | |
| | | | | | | | | | | 085 | | |
| | | | | | | | | | | Wells | | |
| | | | | | | | | | | 103 | | |
| | | | | | | | | | | Slope | | |
| | | | | | | | | | | 087 | | |
| | | | | | | | | | | Williams | | |
| | | | | | | | | | | 105 | | |
| | | | | | | | | | | Stark | | |
| | | | | | | | | | | 089 | | |